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## AGREEMENT

# CANADA QUÉBEC

**Canada-Québec  
Subsidiary Agreement  
on the Economic Development  
of the Regions of Québec**

Canada 

Québec 



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Subsidiary Agreement  
on the Economic Development  
of the Regions of Québec





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Subsidiary Agreement  
on the Economic Development  
of the Regions of Québec

The content of the present publication  
has been prepared jointly by the  
Office of the Federal Economic  
Development Coordinator  
(Regional Industrial Expansion), le  
Secrétariat aux affaires intergouvernementales  
canadiennes du Québec and l'Office de planification  
et de développement du Québec.

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# **CANADA-QUÉBEC SUBSIDIARY AGREEMENT ON THE ECONOMIC DEVELOPMENT OF THE REGIONS OF QUÉBEC**

THIS AGREEMENT made this 9th day of June 1988

BETWEEN:

THE GOVERNMENT OF CANADA, represented by the Minister of Regional Industrial Expansion,

OF THE FIRST PART

AND:

THE GOVERNMENT OF QUÉBEC, represented by the Minister responsible for Canadian Intergovernmental Affairs and by the Minister responsible for Regional Development,

OF THE SECOND PART.

WHEREAS the Government of Canada and the Government of Québec have entered into an Economic and Regional Development Agreement (ERDA) dated December 14, 1984;

WHEREAS the ERDA is designed to create an environment in which the regions of Québec can achieve their economic potential through, in particular, the enhancement of their own comparative advantages and the development and strengthening of productive businesses.

WHEREAS the ERDA facilitates consultation on and coordination of the economic and regional development policies, programs and activities of both governments, in



order to maximize development opportunities and to reduce constraints to such development;

WHEREAS the Government of Canada and the Government of Québec have agreed to fulfill their regional development responsibilities by observing their respective areas of jurisdiction;

WHEREAS eleven subsidiary agreements and two memoranda of understanding, all of which are sectoral in nature, have been concluded and are currently being implemented under the ERDA, benefitting all regions of Québec;

WHEREAS both governments consider that additional efforts, based on a multi-sectoral approach tailored to the particular needs of the Québec regions, are required to supplement the subsidiary agreements now in effect, in order to achieve the ERDA's objectives;

WHEREAS the Governor in Council, by Order in Council No. PC 1988-1110 dated June 9, 1988, has authorized the Minister of Regional Industrial Expansion to sign this Agreement on behalf of the Government of Canada; and

WHEREAS the Government of Québec, upon recommendation by the Minister responsible for Canadian Intergovernmental Affairs and the Minister responsible for Regional Development, has approved the terms of this Agreement on behalf of Québec under Order in Council no. 844-88 of June 1st, 1988.

NOW THEREFORE the parties hereto mutually agree as follows:

## **1. Definitions**

In this Agreement:



- a) "Federal Minister" means the Minister of Regional Industrial Expansion or any other Minister authorized to act on his behalf;
- b) "Federal Minister responsible for the Agreement" means the Minister of Regional Industrial Expansion;
- c) "Québec Minister" means the Minister responsible for Canadian Intergovernmental Affairs or any other Minister authorized to act on his behalf;
- d) "Québec Minister responsible for the Agreement" means the Minister responsible for Regional Development;
- e) "Resource regions" means the portions of Québec territory described in Schedule B to this Agreement;
- f) "Central regions" means the portions of Québec territory described in Schedule B to this Agreement;
- g) "Program framework" means an area of activity designated by the two parties to provide the framework for and to coordinate agreed-upon programming and projects to achieve the objectives of this Agreement;
- h) "Agreed-upon programming" means all of the provisions agreed upon in advance by both governments to govern concerted, complementary, joint or jointly funded activities which can be included in program frameworks;
- i) "Agreed-upon project" means an initiative which is not part of the agreed-upon programming, but which is developed for a specific purpose within a program framework, and which the two governments agree, at an appropriate time, to translate into a concerted, complementary, joint or jointly funded activity;
- j) "Concerted activity or concerted program" means a program derived from agreed-upon programming, that is managed, funded and implemented by either of

the two governments, and whose projects do not require joint approval;

- k) "Complementary activity" means a program or project derived from agreed-upon programming, or an agreed-upon project subject to joint approval, where funding and implementation is under the responsibility of either of the governments;
- l) "Joint activity" means a program or project derived from agreed-upon programming, or an agreed-upon project, implemented by a third party and approved, managed and funded jointly by both governments, with each government making its payments to the third party;
- m) "Jointly funded activity" means a program or a project resulting from agreed-upon programming, or an agreed-upon project, that has been jointly approved and is to be implemented solely by the Québec government, with the costs to be shared by both governments;
- n) "Eligible costs" means, for purposes of this Agreement:
  - reasonable and direct costs incurred under the appropriate provisions of the various programs derived from the agreed-upon programming;
  - any other cost which is expressly defined as an eligible cost by the Management Committee;

but, unless expressly permitted by this Committee, shall not include:

- any costs incurred by either party for the use of any fixed assets which are the property of that party, or any overhead or indirect costs which are incurred by that party or those of one of its agencies;
- land acquisition costs;



- o) "Applicant" means a person or legal entity who submits an application for financial assistance under this Agreement;
- p) "Management Committee" means the committee established under clause 6.3 of the Canada-Québec Economic and Regional Development Agreement to manage and administer this Agreement;
- q) "Fiscal year" means the period commencing on April 1 of a given year and terminating on March 31 of the immediately following year;
- r) "Term of this Agreement" means the period between the date of signature of this Agreement and March 31, 1993;
- s) "Termination date of this Agreement" means the last date on which an application for financial assistance may be received under this Agreement, namely March 31, 1993.

## **2. Purpose and Objectives**

- 2.1 The purpose of this Agreement is to establish, in a concerted and harmonious fashion, a program of activities which meets the specific needs of the regions of Québec, in accordance with the current situation, the program frameworks, and the programming framework described in Schedules A, C, and D to this Agreement, and to agree upon a flexible and effective management and cooperative mechanism to implement this programming.
- 2.2 For purposes of this Agreement, both governments have agreed on the following specific objectives:
  - a) accelerate the long-term growth of the regions of Québec, by
    - mobilizing local entrepreneurs;

- fostering excellence and technological development;
  - stimulating the development and processing of natural resources;
  - strengthening the competitive position of businesses;
  - encouraging the diversification of the regional economic structure;
  - facilitating the full exploitation of Canadian, North American and international markets by businesses;
  - facilitating the adaptation of business and labour to changes in the international economy, particularly those resulting from trade liberalization;
- b) agree to a major and sustained programming effort, over and above existing programs, to accelerate the economic development of the resource regions of Québec, and also to undertake a special effort aimed primarily at encouraging the development of businesses in the central regions of Québec;
- c) aim to increase the participation of regional populations in the labour market;
- d) facilitate cooperation between the governments, and between the two governments and other stakeholders working in the field of economic development, on economic development policy as it applies to the regions of Québec;
- e) facilitate the harmonization of programs and other initiatives by both governments designed to encourage the economic development of the regions of Québec.



### **3. Programming**

In order to achieve the objectives of this Agreement, the parties agree:

- a) to establish, in accordance with the definitions contained in Schedule C, five program frameworks covering business development, research, and technological development, natural resource development, strengthening of economic infrastructure and human resource development in the resource regions;
- b) to design and implement in a concerted fashion, in the resource regions, in accordance with the current situation outlined in Schedule A and the program frameworks described in Schedule C, agreed-upon multi-sectoral programming broken down into programs whose eligibility requirements and standards are established by the Management Committee after consultation with the regions;
- c) to design and implement in a concerted fashion, in the central regions, in accordance with the current situation outlined in Schedule A and the program framework described in Schedule D, agreed-upon programming broken down into programs whose eligibility requirements and standards are established by the Management Committee after consultation with the regions, centered mainly on business development and, for the Montréal region, taking into account strategic developmental thrusts;
- d) to establish, in order to promote economic renewal in disadvantaged areas of the central regions, a framework for close cooperation in order to harmonize the implementation of programs established by either of the two governments outside the Agreement, as well as a fund to implement new programs created within the framework of the Agreement;

- e) to establish a fund within the financial allocation of the Agreement, which will be used to finance studies considered necessary for achieving the objectives of the Agreement. Such studies will include the evaluation of the Agreement, feasibility studies for projects which are thought to be promising in terms of their potential impact on development in the regions, detailed analyses of proposals arising from consultations with the regions, and economic impact studies of regional economic development initiatives undertaken by both governments;
- f) to entrust the Management Committee with the prompt development of detailed programming relating to concerted, complementary, joint and jointly funded activities;
- g) to approve the establishment, under the Agreement, of a concerted federal program aimed at developing businesses — industrial component — in the resource regions as described in Schedule C; this program will be reviewed annually by the Management Committee, after consultation with regional representatives and, if necessary, will be revised;
- h) to approve the establishment, within the framework of the Agreement, of a concerted federal program targeting the strengthening of manufacturing productivity in the central regions as described in Schedule D; this program will be reviewed annually by the Management Committee;
- i) to approve the establishment, within the framework of the Agreement, of concerted federal programs targeting the development of the fisheries, aquaculture and agri-food sectors and the development of enterprises — tourism component — in the resource regions, for which terms and conditions will be submitted for the approval of the Management Committee;



- j) to approve the establishment, within the framework of the Agreement, of a concerted Québec program to promote diversification and expansion of businesses in the resource regions, as described in Schedule C; this program will be reviewed annually by the Management Committee, after consultation with regional representatives and, if necessary, will be revised;
- k) to approve the establishment, within the framework of the Agreement, of a concerted Québec program to promote industrial adjustment in the central regions, as described in Schedule D; this program will be reviewed annually by the Management Committee;
- l) to ensure that the financial commitments made in accordance with concerted federal and Québec programs established under clauses 3g), 3h), 3i), 3j) and 3k) be distributed in a reasonably equal manner over the five years for which the Agreement is in effect, taking into consideration the inherent dynamics of demand-based programs;
- m) to establish a regional subcommittee for Eastern Québec, under the Management Committee, whose terms of reference will be to review, after consultation with concerned groups, the requirements of the federal private forest development program for Eastern Québec. The Management Committee will recommend to the Federal and Québec Ministers responsible for the Agreement, appropriate amendments in order for the program to be managed under the Agreement after April 1, 1990. It is agreed that the amendments that may be approved will not result in a reduction of financial and technical benefits to current program recipients nor reduce the number of technical jobs. It is also agreed that the unions and the wood producers' board will continue to deliver the program;
- n) to work closely together, in collaboration with the Ministers responsible for relevant policy and related mat-

ters, on human resource development activities required under the Agreement;

- o) to apply the criteria outlined in Schedule E to the Agreement in the selection of eligible projects under the program framework for strengthening economic infrastructure in the resource regions;
- p) to identify and approve, in consultation with the regional groups concerned, other programs and projects required to achieve the objectives of the Agreement in the resource regions;
- q) to ensure that all programming established under the Agreement in response to the particular needs of Native communities is compatible with the objectives of the Memorandum of Understanding on Native Economic Development and in no way alters the advantages they derive from other programs or commitments of the Government of Canada or the Government of Québec;
- r) to ensure that agreed-upon programming takes into consideration resource conservation within the framework of sustained economic growth;
- s) to apply, to projects submitted by municipal agencies under the program framework for strengthening economic infrastructure, the terms and conditions prescribed in Schedule F;
- t) to submit program proposals in conformity with the procedures of each government, for approval by the Treasury Board of Canada or the Treasury Board of Québec, which includes particularly programs mentioned in articles 3b) and 3c);
- u) to ensure that agreed-upon programming and projects are consistent with the policies of the Government of Canada and the Government of Québec.



## **4. Management and Coordination**

4.1 A Management Committee will be established to administer the Agreement. It will have four members appointed by the Federal Minister responsible for the Agreement and the Québec Minister. It will be co-chaired by two senior officials representing the Federal Minister responsible for the Agreement and the Québec Minister responsible for the Agreement. It will also include an ex-officio member representing the Federal and Québec Ministers respectively.

4.2 The functions of the Management Committee are:

- a) to ensure that the necessary cooperation exists between the two governments for the design, detailed development, implementation and evaluation of the programs and projects stemming from agreed-upon programming under the Agreement;
- b) to propose measures necessary to promote the harmonization of programs and other activities of the two governments for the economic development of Québec's regions;
- c) to form a consultative committee for each resource region, which will be charged with advising the Ministers responsible for the Agreement. These committees will be composed of relevant sectoral representatives from the regional coordination and development organisms established by the Government of Québec in these regions, as well as other members, including representatives from areas adjacent to the administrative regions involved in order to cover the total territory as defined in Schedule B. These committees will be consulted with respect to the following matters:
  - i) the development approaches proposed by both governments for these regions;

- ii) the general operating terms and conditions of programs stemming from agreed-upon programming under the Agreement;
  - iii) other programs and projects that will be approved under each program framework in order to meet the objectives of the Agreement, as well as related general operating terms and conditions, once approval has been given;
  - iv) an annual report of activities carried out under the Agreement;
- d) to establish a Management Sub-committee for the resource regions, a Management Sub-committee for the central regions and any other subcommittees required to manage the Agreement;
  - e) to determine the composition, terms of reference and procedures for the Management Subcommittees and any other subcommittees established to manage the Agreement;
  - f) to promote, in each of the regions covered in the Agreement, the greatest possible level of cooperation between the two governments and between the governments and representatives of the business community at the regional level;
  - g) to establish, in each of the resource regions, a regional committee for the concertation and coordination of the actions of the two governments governed by this Agreement;
  - h) to entrust to the appropriate sectoral departments and agencies of each government the development and implementation of the programs and projects, and to establish related terms of reference and procedures;



- i) to approve, on the recommendation of Management Sub-committees and following consultations in the regions concerned, all programs and projects, and to approve detailed operating conditions for the programs that stem from agreed-upon programming under the Agreement, except those related to the programs referred to in clauses 3g), 3h), 3j) and 3k);
- j) to ensure strict adherence to the procedures on public information, as described in Schedule J;
- k) to keep records of the financial commitments made by each government under each program and project, and for each region of the Agreement, in accordance with agreed upon terms and conditions to be established by the Management Committee;
- l) to ensure provision of secretariat services required for its own operations, as well as for the operations of its Sub-committees and consultative committees;
- m) to recommend to the Ministers responsible for the Agreement any other measure necessary for the full implementation of the Agreement and the achievement of its objectives;
- n) to submit to the Ministers an annual report of activities, quarterly reports and any other report considered pertinent.

## **5. Financial provisions**

5.1 Notwithstanding anything in this Agreement, the total contribution payable by the Government of Canada shall not exceed \$440 million, this amount representing its portion for all agreed-upon programming and projects under this Agreement. Of this amount, \$155 million will be allocated to the economic develop-

ment of the central regions and \$283 million will be allocated to the economic development of the resource regions either under Government of Canada funding procedures or the funding procedures governed by this Agreement, and \$2 million will be allocated to studies under the funding procedures governed by this Agreement.

- 5.2 Notwithstanding anything in this Agreement, the total contribution of the Government of Québec shall not exceed \$380 million, this amount representing its portion for all agreed-upon programming and projects under the Agreement. Of this amount, \$175 million will be allocated to the economic development of the central regions and \$203 million will be allocated to the economic development of the resource regions either under Government of Québec funding procedures or the funding procedures governed by this Agreement, and \$2 million will be allocated to studies under the funding procedures governed by this Agreement.
- 5.3 The two governments agree to distribute among the resource regions an amount of \$486 million for their economic development, as determined in Schedule G, including a reserve of \$80 million.
- 5.4 The two governments agree to allocate among the different programs to be put into place in the central regions an amount of \$330 million, as described in Schedule G.
- 5.5 The two governments agree that an amount, totalling \$225 million, stemming from the federal share of the financing of this Agreement, will be used to finance concerted federal programs in the resource regions and the central regions, as identified in Schedule H.
- 5.6 The two governments also agree that an amount to be determined, stemming from the Québec share of the financing of this Agreement, will be used to finance



concerted Quebec programs in the resource and the central regions, as identified in Schedule H.

- 5.7 The Management Committee may, with the express permission of the Federal Minister and the Québec Minister responsible for the Agreement, allocate additional funds to a program framework budget from the reserve and transfer funds, if required, from one program framework budget to another.

## **6. Payment procedures**

- 6.1 For jointly funded activities, the Government of Canada, in accordance with procedures established by the Management Committee, shall pay to the Government of Québec its share of the approved project contribution. To this end, the Government of Québec shall submit promptly, as work progresses, a claim setting out the eligible costs of the project that were committed and paid for and the share that is to be reimbursed by the Government of Canada. These claims shall be presented and verified to the satisfaction of the Management Committee and certified by a designated representative of the Government of Québec.
- 6.2 In the case of jointly funded activities involving a municipal agency, the payment procedures described in Schedule F will apply.
- 6.3 For concerted, complementary or joint activities, each party, in accordance with its own payment procedures, shall pay directly to the applicant its share or the total amount of the contribution agreed upon, as the case may be.
- 6.4 No payment relating to an activity under this Agreement shall be made after the fifth year following the termination of this Agreement.

## **7. Evaluation**

- 7.1 The Management Committee shall develop an evaluation framework, in accordance with the objectives of the Agreement, for evaluating the socio-economic impact of activities under the Agreement; this framework shall set out measurable objectives for each programming element and shall be appended to the Agreement within the year following its signature.
- 7.2 The two governments agree to conduct, at the end of the third year of the Agreement, a thorough review of the activities carried out to date in order to determine whether any changes are required in the thrusts of the Agreement and in programming content for the remainder of the Agreement.
- 7.3 Joint, concerted, and complementary activities shall be evaluated by the government responsible for their financing and implementation, which shall report on its evaluation to the other government.
- 7.4 Jointly funded activities shall be evaluated by the Government of Québec, and the results forwarded to the Government of Canada.
- 7.5 The information judged necessary by either party for all evaluations of the socio-economic impact and operation of the Agreement in terms of its objectives or the various components of the programming established under the Agreement shall be furnished on request by the other party.

## **8. Public Information**

- 8.1 The two governments agree to the procedures respecting public information, as set out in Schedule J to the Agreement, and delegate implementation responsibility for them to the Management Committee.

## **9. General**

- 9.1 No member of the House of Commons of Canada or the National Assembly of Québec shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.
- 9.2 The provision of contributions by the Government of Canada and the Government of Québec for implementation of this Agreement is subject to the Parliament of Canada and the National Assembly of Québec having appropriated funds for such financing in the fiscal year in which it is required.
- 9.3 This document and Schedules A to J thereto, as well as the evaluation framework which will be appended to the Agreement within the year following its signature, form the entire Agreement.

## **10. Amendment**

- 10.1 The ministers signing the Agreement may amend the provisions of this Agreement, subject to the provisions set out in clause 10.2.
- 10.2 Any amendment to the objectives of the Agreement, set out in clause 2.2, or to the financial limitations, as set out in clauses 5.1 and 5.2, shall require the prior approval of the Governor in Council and the Government of Québec.



IN WITNESS WHEREOF this Agreement has been executed on behalf of the Government of Canada by the Minister of Regional Industrial Expansion and on behalf of the Government of Québec by the Minister responsible for Canadian Intergovernmental Affairs and the Minister responsible for Regional Development.

In the presence of:

GOVERNMENT OF CANADA

GOVERNMENT OF QUÉBEC

---

Robert R. de Cotret  
Minister of Regional  
Industrial Expansion

---

Gil Rémillard  
Canadian  
Intergovernmental Affairs

---

Marc-Yvan Côté  
Minister Responsible for  
Regional Development

---

Monique Vézina  
Minister of State  
Employment and  
Immigration  
Witness

---

Brian Mulroney  
Prime Minister of Canada  
Witness

---

Robert Bourassa  
Premier of Québec  
Witness

## **SCHEDULE "A"**

# **CANADA-QUÉBEC AGREEMENT ON THE ECONOMIC DEVELOPMENT OF THE REGIONS OF QUÉBEC**

## **THE CURRENT SITUATION**

### **1. Introduction**

The purpose of this schedule is to present the existing economic situation in the regions of Québec. In it we shall look at the overall economic situation in the Province, evaluate the strengths and weaknesses of the regions, determine their future prospects and outline the main avenues for action by the two governments.

### **2. Economic Context**

Over the past six years both Québec and Canada have experienced sustained and vigorous economic growth. This renewed growth, after the severe recession of 1981-82, has enabled Québec to move towards a significant restructuring of its industrial base. Traditionally, Québec has been an exporter of resources, but its economy is turning increasingly towards the export of finished products with a higher value added. Combined with this major change is the growing tertiarization of economic activity.

Although the overall balance is positive, major sectors are facing persistent problems and constraints. Thus in the resource sector there are problems in terms of competitiveness, world surpluses, protectionism and resource management to deal with. It is a type of activity that is subject to marked cyclical and often seasonal variations, and is dependent upon international markets. The manufacturing sector is still showing severe weaknesses due to

the loss in comparative advantage, especially in uncompetitive traditional industries. However, this has begun to change, especially since the recession, with increasing emphasis being placed on modern, more productive and more export-oriented industries.

The tertiary sector, which has traditionally focussed on local markets, is gradually opening up to international competition, especially in production-related services. The tertiary sector has been by far the most important generator of jobs over the last ten years, particularly in consumer-related activities, which are often the least productive.

Québec still has a dual regional economy. There are actually two distinct economic areas; each has attained a very different developmental level. The regions of industrial Québec are centered on metropolitan Montréal and cover the entire southwestern part of the province. These so-called central regions are fairly well integrated within the North American economy, but still lag far behind Southwestern Ontario and the Northeastern United States. Peripheral Québec, which stretches from the East to the Northwest, has economic conditions similar to those of the Atlantic Provinces. These regions are dominated by resource exploitation, which is why they are referred to as resource regions.

### **3. The Resource Regions**

For the purposes of this Agreement, there are five resource regions namely: Eastern Québec, the North Shore, the North-Centre, Northern Québec and Western Québec (see Schedule B). These regions comprise a huge area covering over nine-tenths of the province, but contain only slightly more than a million people.

Forests, minerals, hydroelectricity, wildlife and, in some zones, agriculture still constitute the economic base of this territory, although the continued availability of these resources is uncertain in some cases and access to them,



often, is becoming increasingly difficult. Except for the forests, the extent of these resources varies from region to region, as does the degree to which they are processed which is the highest in the Saguenay-Lac-Saint-Jean (North-Centre) region. The sometimes almost unexploited natural beauty of areas such as the Gaspé, the North Shore and Charlevoix, the Magdalen Islands, the Mingan Archipelago and the Saguenay Fjord adds to this resource base.

Needless to say, the primary sector figures significantly in the economic structure in these regions (accounting for between 11 and 19 percent of unemployment, as opposed to 4.4 percent in Québec as a whole). The secondary sector is less developed and less diversified, and is heavily dependent on resource processing. Tertiary activities in these regions continue to grow in importance, but their importance is slightly less than in the rest of Québec. The more dynamic tertiary activities, notably those connected with production and R&D, are not, however, as well developed. Nevertheless, some promising breakthroughs have been made through research and development activities in Rimouski and Chicoutimi-Jonquière.

Primary and manufacturing activities in the resource regions are focussed on exporting to international markets. They are also dominated by large corporations, because of the very significant investments required to exploit and process the resources. For some time now, the smaller businesses have been dynamic in their efforts to diversify their activities in the regions. Although there have been some noteworthy achievements, such as in the Abitibi region, numerous difficulties have also been encountered due to geographical isolation and restricted markets, and problems associated with attracting, training and retaining qualified people and introducing technological innovations.

The population of the resource regions, which has been declining slightly, is characterized by its remoteness from urban centres and its dispersion over a large area.

The people often live in small single-industry communities that are vulnerable to resource depletion, the unstable nature of their markets and the seasonal nature of certain activities. It is in these resource regions, especially throughout Northern Québec, that most of Québec's Native communities are located.

In general the resource regions experience a difficult economic situation. Their income levels and labour force participation rates continue below the Québec average. Their unemployment rate is considerably higher than that of the province as a whole. These regions are insufficiently diversified, counting on the exploitation and transformation of natural resources, and are consequently vulnerable to seasonal and cyclical variations.

In addition, these regions are not homogeneous. They differ by size of population, land area, resource endowment, economic situation, and level of development. Eastern Québec, the most populous area, is also the most disadvantaged in the province. Its income level, the lowest in Québec after Northern Québec, is comparable to the income levels in the poorest Atlantic provinces. Its labour force participation rate and level of investment are the lowest in the province while its unemployment rate is the highest.

The North-Centre, almost as populous as Eastern Québec and the most industrialized of the resource regions, is presently facing a rationalization of its basic industries. The three other regions are the least diversified of the resource regions. Northern Québec and the North Shore, by far the largest and most isolated regions, have small dispersed populations, often grouped in small one-industry towns. The North Shore, once prosperous, has been hard hit by the decline of the iron industry which has brought with it massive out-migration from which the region has not recovered, and a sharp fall in income compared to other regions. If, in Western Québec, Abitibi-Témiscamingue has of late been the model of a prosperous

region, other areas like the Pontiac are much less well off. And even in Abitibi, the mining sector, which has recently registered significant growth, is subject to severe downturns.

Their remoteness and their need to export raw or processed materials make transportation an essential aspect of economic life in these regions. Although they have a number of major deep-water harbours and a well developed airport system, the inter- and intra-regional road network and the air service exhibit a number of shortcomings, particularly in terms of providing access to resources and to markets. Transportation is becoming all the more important as resources must be sought farther and farther afield. There is also room for improvement in other types of infrastructure — in tourism and technology, for example. It must be borne in mind that governments are often limited in what they can do by the tremendous cost of infrastructure.

#### **4. The Central Regions**

Activity in the central regions revolves around the area along the St. Lawrence River between the metropolitan regions of Montréal and Québec City, the traditional axis of development in Québec and home to more than 84 percent of its population. In addition to Montréal and Québec City, Québec's major urban centres, such as Hull-Gatineau, to the extreme west, and Trois-Rivières and Sherbrooke are concentrated in this region.

On the whole, the central regions enjoy a more favourable economic climate than the resource regions. In addition, the population in each of these regions increased between 1976 and 1986, in contrast with the decline experienced in all the resource regions. The economy of the central regions is more flexible and diversified than elsewhere in the province. The labour market is concentrated in the tertiary and secondary sectors, with certain specializations in the various regions. Employment levels are either above or at the provincial average because of the



diversified economic structure of the regions which also make them less vulnerable to changing economic situations. Moreover, the average wage in these regions is slightly above the Québec average, and has remained stable for more than a decade.

The central regions clearly dominate manufacturing in the province as a whole, accounting for more than 90 per cent of business employment and value added. The Eastern Townships, Mauricie/Bois-Francs and Montréal regions depend most on the manufacturing sector in Québec. The traditional sectors continue to occupy an important, although slightly declining position in manufacturing employment. However, they are now being supplanted by modern industries, a shift indicative of a restructuring toward a rejuvenated and more competitive industrial base.

A number of traditional sectors are having serious structural problems, such as obsolete production equipment and market saturation — factors which hinder the full expansion of these sectors. Even certain areas in more modern sectors, such as the petrochemical and shipbuilding industries, face serious structural problems. However, efforts have been made to modernize existing facilities, particularly in the pulp and paper industry and textiles, clothing and shoes. The central regions have also been able to attract a number of major initiatives in the electro-metallurgy and transportation equipment sectors.

A full range of tertiary activities exist in the central regions, particularly in the Montréal, Québec City and Outaouais region. However, the level of sophistication of Montréal's tertiary sector is much higher than that of the other central regions, since it focusses on dynamic growth sectors, such as finance, R&D, international trade, engineering consulting services or activities linked to manufacturing and to the marketing of goods and services. This is a major asset for the Montréal region, which lacks, however, a nucleus of large international firms. In the rest of the

central regions, the existence of major urban centres constitutes a critical mass which favours the development of activities beneficial to the economy.

The central regions constitute a particularly active centre for small business. Entrepreneurial spirit is not exclusive to the Montréal region. Significant achievements have also been made in the Beauce, Eastern Townships and Bois-Francs. The situation is not without its problems, however. Difficulties relating to the quality of management of the companies and a shortage of start-up capital remain.

In the central regions, there are also areas experiencing difficulties. These are often single-industry communities which have a fragile and poorly diversified economic base, whose economic situation is closer to the prevailing situation in the resource regions.

The Montréal region is the economic, social and cultural hub of Québec, despite problems in maintaining its competitive position in Canada and North America. Prior to the last recession, competition from recently industrialized countries, the two oil crises and the substantial increase in salaries aggravated the region's economic woes. While employment in the tertiary sector is undergoing significant growth due primarily to the less productive consumer sector, employment in the manufacturing sector is progressing very slowly. In the late 1970s, many important head-offices left the region (although, in light of the improved economic climate, some have since returned or are considering doing so). The financial and traditional manufacturing sectors, which are still very important, are facing problems. Important sectors, such as the petrochemical industry and shipbuilding, have declined significantly, causing serious workforce retraining problems in the eastern part of Montréal. In leading sectors and in R&D, the Montréal region, though well situated, is experiencing certain problems of development such as shortages of highly-skilled local labour.

Despite these difficulties, there are a few encouraging signs. The appearance of new firms in leading sectors will facilitate the transformation of Montréal's industrial structure. This new trend is supported by the emergence of a new class of Québec entrepreneur, for whom Montréal constitutes a focal point, as well as by a diversified and specialized labour force. However, major capital requirements, including modern scientific and research facilities and sophisticated transportation and communications networks, will be required in the future.

## **5. Approaches**

In the coming years, the Québec regions will face major challenges. In view of the need to modernize and consolidate production facilities, the key objectives of the two governments are to accelerate the growth of permanent employment and to strengthen competitiveness. In view of the sustained rate of technological change, increased competition on international markets and efforts to ease trade restrictions, businesses will have to constantly improve their competitive position by increasing productivity and by specializing. New market sectors will have to be tapped in order to make the best possible use of the current human resource base and to allow for expansion. In order to achieve the desired results, the regions will need to count on the vitality of local entrepreneurs, workforce adjustment and training, and the economic potential of each region.

Since natural resources represent an important activity in Québec, particularly in the resource regions, enlightened environmental management, tailored to each region, is essential to sustaining economic development. Special attention could be focussed on promoting projects which favour environmental protection and enhancement and sustainable development.



## ***Resource regions***

Priority in terms of economic development initiatives by the two governments is now set on the resource regions. In addition to having to face increased competition, these regions will have to continue to operate with a relatively undiversified and often threatened industrial base and with human resources that are not always sufficiently qualified. These handicaps have already created persistent economic problems which put these regions at a disadvantage in relation to the rest of Québec.

It therefore seems important to capitalize on all development opportunities available in each region according to its respective advantages and to promote a climate of entrepreneurship. Concrete economic development initiatives developed in concert with local stakeholders and based on the major development thrusts favoured for each region, will be directed at these regions. In general, these relate to resource development, tourism, and industrial diversification including more intensive processing of resources and, where appropriate, related specialized tertiary activities. The main approaches or program frameworks will focus on business development, natural resource development, strengthening of economic infrastructure, technological development and human resource development. Some special measures may also be needed.

## ***Central regions***

The two governments consider that the emergence and growth of innovative small businesses should be encouraged in the central regions and that help should be provided to strengthen the competitiveness of small businesses in the manufacturing sector in the context of free trade.

Industrial adjustment, the modernization of traditional sectors directed towards more specialized segments in their respective fields of activity and workforce adjustment

constitute the challenges facing these regions. Small businesses in these regions must base their expansion on development of expertise in new market areas and on the introduction of modern and efficient technologies. As a result, they will be better able to face increased international competition and to take advantage of easier access to the vast US and other international markets. Other sectors undergoing changes, particularly tertiary activities associated with R&D, high technology and tourism and related cultural activities, will offer many development opportunities. Aggressive small businesses should take advantage of these opportunities.

Special development initiatives will also be undertaken in the Montréal region because of its specific problems and the important role it plays in Québec and Canada. These efforts will revolve around seven strategic development thrusts: international activities, high technology, international finance and trade, design, cultural industries, tourism and transportation.

Some special measures may also be undertaken in economically disadvantaged areas in the central regions in the context of the coordination and harmonization of new or existing programs.

## SCHEDULE "B"

### BOUNDARIES OF THE REGIONS OF THE AGREEMENT

The regions of the Agreement ( see the attached map ) have been defined according to the administrative regions defined in Order-in-Council No. 2000-87 adopted by the Government of Québec on December 22, 1987, and on the regional county municipalities (RCMs), and are grouped into two main categories:

#### ***Resource Regions***

The Resource Regions of the Agreement cover:

1. **the Eastern Québec Region**, comprising the administrative regions of Bas-Saint-Laurent (the RCMs of Kamouraska, La Matapédia, La Mitis, Matane, Les Basques, Rimouski-Neigette, Rivière-du-Loup and Témiscouata) and Gaspésie-Îles-de-la-Madeleine (the RCMs of Avignon, Bonaventure, Denis-Riverin, La Côte-de-Gaspé, Les Îles-de-la-Madeleine and Pabok);
2. **the North Shore Region**, consisting of the administrative region of the same name (the RCMs of Caniapiscau, La Haute-Côte-Nord, Manicouagan, Minganie, Sept-Rivières and the municipality of Côte-Nord-du-Golfe-Saint-Laurent);
3. **the North-Centre Region**, comprising the administrative region of Saguenay-Lac-Saint-Jean (the RCMs of Lac-Saint-Jean-Est, Le Domaine-du-Roy, Le Fjord-du-Saguenay and Maria-Chapdelaine), as well as the RCMs of Charlevoix and Charlevoix-Est;



4. **the Western Québec Region**, comprising the administrative region of Abitibi-Témiscamingue (the RCMs of Abitibi, Abitibi-Ouest, Rouyn-Noranda, Témiscamingue and Vallée-de-l'Or) and the remainder of the Abitibi census division (included in the RCM of Le Haut-Saint-Maurice), as well as the RCMs of Pontiac, La Vallée-de-la-Gatineau, Papineau and Antoine-Labelle;
5. **the Northern Québec Region**, comprising the administrative region of the same name, that is, all of the territories not organized into RCMs north of the RCMs of Abitibi-Ouest, Abitibi, Vallée-de-l'Or, Le Haut-Saint-Maurice, Le Domaine-du-Roy, Maria-Chapdelaine, Le Fjord-du-Saguenay and Caniapiscau.

### ***Central Regions***

The Central Regions of the Agreement cover all other regions of Québec not covered by the Resource Regions.

## **SCHEDULE "C"**

### **DEFINITION OF PROGRAM FRAMEWORKS — RESOURCE REGIONS —**

Resource Region programming under the Agreement will center on five major areas of activity or program frameworks. The Agreement Management Committee will define eligible programs or projects and management procedures for each program framework. Each program or project may take the form of concerted, joint, complementary, or jointly funded activities. This Agreement will enable the two governments to work closely with each other to increase the effectiveness of their regional development activities within Québec's borders.

Program frameworks, and operational criteria for resulting programs and projects, will govern the allocation of funds, in accordance with the objectives of the Agreement and the development strategy identified for each resource region.

Programs or projects may be proposed by sectoral departments or agencies of governments involved in all major areas of activity.

### **BUSINESS DEVELOPMENT PROGRAM FRAMEWORK**

The growth of small business and entrepreneurial spirit is the basis for this program framework. Any proposed programs and projects will focus on the following concerns:

1. the stimulation of investment in the establishment, expansion or modernization of businesses;
2. the improvement of productivity, of product quality and of the management capability of businesses;

3. the development of marketing capabilities and the capacity of businesses to identify development opportunities;
4. the development of entrepreneurship;
5. the development of consulting services to businesses and groups of businesses notably in the area of information (particularly of a technological and commercial nature) as well as public or private development services.

### **Federal Concerted Program for Enterprise Development**

It is agreed that the Government of Canada will establish a federal concerted program for enterprise development to support regional entrepreneurship, especially small and medium sized businesses, and to encourage industrial diversification.

#### ***Industrial Component***

*Purpose:* Contributions to manufacturing industries, including the processing of fish and agri-food products, as well as businesses in certain related sectors such as upstream and downstream activities linked to manufacturing and aquaculture.

*Projects:* Eligible projects include, among others, the establishment, expansion and modernization of facilities in eligible sectors, as well as studies relating to project feasibility, productivity enhancement, identification of development opportunities, acquisition of patents and licenses, and business plans.

*Financing:* Includes repayable or non-repayable contributions, up to 50% of eligible capital costs and up to 75% of the operating costs of commercial businesses; maximum of \$2 million per project.



## ***Tourism component***

*Purpose:* Enhancement of quality tourism products in the regions, based on their distinctive advantages, which aim to attract tourists from outside the regions.

*Projects:* Includes contributions for development of events, of cultural or natural sites on tourist routes; establishment, expansion and modernization of tourist facilities (accommodations, restaurants, outfitters, services and tourist related facilities); upgrading of marketing tools; studies and other activities.

## ***Québec Concerted Program for the Diversification and Expansion of Business***

It is agreed that the Government of Québec will establish a concerted program whose aim is to diversify the development of businesses in the resource regions and to encourage their expansion, especially small and medium sized businesses.

*Purpose:* Financial assistance to capital projects and other activities, as well as offering assistance to business complementary to that of the federal government.

*Projects:* Eligible projects include capital costs related to land (except its purchase), buildings, machinery and equipment, purchase of technology, of software or systems; feasibility studies for a capital project, a productivity project, a project for the automation or for quality control, identification of new markets, industrial R&D, or for the purchase of patents and licenses, and other activities; also eligible is the hiring, for the first time, of a specialist in production engineering, design, marketing or research and development.

*Financing:* Contributions to study costs and to the hiring of young graduates; participating loans with or without interest holiday for capital projects; and under

exceptional circumstances, any other form of assistance considered appropriate.

## **PROGRAM FRAMEWORK RELATING TO RESEARCH AND TECHNOLOGICAL DEVELOPMENT**

This program framework has the following objectives:

- to include the regions in the technological development trend underway in the developed economies;
- to strengthen the comparative advantages of certain sectors by supporting R&D activities to make businesses more competitive;
- to foster establishment of new economic activities based on advanced technology.

Several types of measures may be considered within this program framework:

1. encouragement of innovation and technology transfer tailored to businesses in the regions;
2. development of R&D, new products, industrial design, production methods, improved products and processes, and related marketing efforts as well as regional capabilities in this regard;
3. development of consultant services for businesses and business groups with regard to technological and business information;
4. development and strengthening of regional contacts to establish liaison networks, on the one hand, between the regions and the exterior, and, on the other hand, among institutions of higher learning, government and research organizations, business enterprises and risk capital;
5. the sensitization of regional communities to technological challenges.

## **Federal Concerted Program for Agri-food Testing and Experimentation**

It is agreed that the federal government will establish a concerted program for agri-food testing and experimentation aimed at accelerating the adoption of techniques and production systems and new products, and to increase the levels of usage of agricultural assets.

*Projects:* Testing of new production systems, methods or technology in the business environment.

*Activities:* Final adjustments, demonstration of innovative processes, extension of research programs or work aimed at validating results.

*Financing:* Contributions for validation projects or first commercial demonstrations.

*Sectors:* Business and business associations in the food and beverage sector as well as groups, associations, unions, cooperatives, or federations of agricultural producers or individual producers of agricultural products.

## **Federal Concerted Program for Fisheries and Aquaculture Testing and Experimentation**

It is agreed that the federal government will establish a concerted program for testing and experimentation in the area of fisheries which aims to support the marine products processing industry by maximizing its economic viability and its stability by the utilisation of underexploited resources and by the optimal utilisation of traditional resources. The program will aim to encourage innovative initiatives and technology transfers and will provide contributions to harvesting and aquaculture businesses and businesses that process sea products.



The two parties agree to establish a joint program for innovation, industrial design and technological development. Also, the two parties can establish complementary or joint programming in the case of assistance for research and technological development in the forestry and mining sectors.

## **PROGRAM FRAMEWORK RELATING TO NATURAL RESOURCE DEVELOPMENT**

This program framework provides for resource management, conservation and enhancement measures. The approved programming will chiefly reflect the following concerns:

1. improved resource management, protection and development;
2. acceleration of resource exploration and identification;
3. development of methods to promote more efficient resource management operations;
4. development of consultant services for organizations involved in the field of technical information.

In order to respond adequately to the needs of the regions, the two governments agree:

- that agreed-upon programming within this program framework will target the management, conservation and development of forests, for the forestry sector with the exception of those activities resulting from paragraph 3 m) of the Agreement, and geoscientific work in the mining sector. Activities included in this approved programming will be jointly funded or will be undertaken and financed solely by Québec.

- to establish concerted, complementary or joint programming targetting Native communities, for the management, protection, and development of natural resources, including mineral resources.

## **PROGRAM FRAMEWORK RELATING TO ECONOMIC INFRASTRUCTURE REINFORCEMENT**

The development of adequate basic facilities and services chiefly benefitting small businesses and groups pursuing regional development objectives is the foundation for this program framework. Approved programming will mainly reflect the following concerns:

1. direct impact of projects on the economic development of the region, with special attention directed to those projects likely to make an active contribution to the economic development of the region as a whole;
2. compatibility of projects with the development strategies defined by both governments for each region;
3. development of infrastructure and services for industrial and tourism purposes;
4. strengthening of initiatives already agreed to locally or already authorized under other government programs.

## **PROGRAM FRAMEWORK RELATING TO HUMAN RESOURCE DEVELOPMENT**

This program framework provides for the implementation and harmonization of human resource development measures to encourage labour, including management personnel, to adjust to economic, technological and structural change, especially within the context of freer trade.

The parties agree that the rules governing this program framework must be compatible with the provisions and the operating procedures of the agreements signed

between the ministère de la Main-d'oeuvre et de la sécurité du revenu (MMSR — Québec Department of Manpower and Income Security) and the Canada Employment and Immigration Commission (CEIC).

Both governments may propose measures, in addition to existing programs, tailored to the needs of the regions in order to increase access to employment opportunities in resource regions, in accordance with the aims of the Agreement.

For the purposes of the Agreement, the planned initiatives and consultation mechanisms will reflect the following concerns:

1. to facilitate the learning of new production and marketing methods;
2. to upgrade the technical and professional skills of both labour and management as well as the adaptability of human resources;
3. to improve the acquisition of skills in specialized fields, especially among young people, along the preferred axes of development;
4. to promote training and the acquisition of skills in the business environment and in non-profit agencies;
5. to facilitate the recruitment of executives and skilled labour;
6. to promote innovations in human resource development and employment.



## **SCHEDULE "D"**

### **PROGRAM FRAMEWORK — CENTRAL REGIONS —**

As provided in the Agreement, approved programming will be translated into programs and projects focusing mainly on business development in the central regions and, for the Montréal region, based on preferred axes of development. The three objectives of the programming are:

- strengthening of productivity in the manufacturing sector;
- development of the Montréal region;
- economic revival of disadvantaged areas.

The two levels of government will create a program of concerted, complementary, or joint activities aimed at planning development strategies and supporting their implementation in the Montréal region, along preferred axes: international activities, high technology, international finance and trade, design, cultural industries, tourism and transportation. The aim of the contributions to the initiatives, projects and studies will be to support the leadership of the private sector, in cooperation with all local stakeholders.

The government of Québec's participation in the Central Regions could take the form of concerted activities for business development at large, including specifically tourism enterprises.

The parties will establish a cooperative framework for the implementation of programs created or to be created by the two governments, as well as a fund for the imple-

mentation of new programs, to promote the economic revival of certain disadvantaged areas in the central regions.

***Federal Concerted Program to strengthen productivity in the manufacturing sector***

It is agreed that the Government of Canada will establish a new federal concerted manufacturing productivity improvement program (MPIP). The purpose of this program is to strengthen the industrial structure of Québec by promoting the establishment and growth of innovative businesses, and to improve the competitiveness of firms in the context of free trade. The targeted firms will essentially be small businesses.

*Purpose:* Improvement of productivity in the manufacturing and related sectors by favoring the acquisition of machinery, equipment, and new systems incorporating advanced technology.

*Projects:* Eligible projects include, among others, the acquisition of machinery and equipment, of new systems incorporating advanced technology, and of patents and licences, as well as studies, support services, and other activities.

*Funding:* Includes repayable and non-repayable contributions, up to 25% of eligible project costs and up to 50% of activity costs; land and building costs are not eligible. Maximum of \$1 million per project.

**Québec Concerted Program to Promote Industrial Adjustment**

It is agreed that the government of Québec will establish a provincial concerted program providing support to businesses required to adapt to a changing international context characterized by growing foreign competition due principally to trade liberalization.

## ***Sectoral Component***

*Purpose:* Contributions for studies undertaken for and by an industrial sector affected by the international environment, aimed at the identification of new markets and product specialization; contributions to sectoral industrial associations for specific projects that will promote the growth of the sector or its rationalization on a more competitive base.

## ***Businesses and Business Groups Component***

*Purpose:* Financial assistance to businesses in the manufacturing sector (to be defined) and to industrial enterprises sensitive to the international context;

*Projects:* Fixed assets and land (except its purchase), buildings machinery and equipment, and the purchase of technology and software packages and systems, required for the realization of a project targetting diversification of production, modernization, automation, applying new technologies, or market prospecting costs; diagnostic studies, development of adjustment plans, product diversification and specialization, reduction of production costs and consolidation of businesses; feasibility studies for eligible capital projects.

*Financing:* Contributions to study costs and to the hiring of young graduates; participating loans with or without interest holiday for capital projects; and under exceptional circumstances, any other form of assistance considered appropriate.

The two parties agree to establish joint programming to support business innovation, industrial design and the technological development of firms.



## **SCHEDULE “E”**

### **ECONOMIC INFRASTRUCTURE PROJECT SELECTION CRITERIA — RESOURCE REGIONS —**

The following criteria will be the principal factors in the selection of economic infrastructure projects liable to receive financial support under the Agreement in the resource regions:

1. Projects must be compatible with the axes of development adopted for each region by the two governments.
2. Projects involving industrial technology centres, specialized training, research or other technical establishments directly related to small and medium business activities as well as public tourism infrastructure shall be specifically eligible.
3. Projects must be economically viable, i.e., providing positive net economic benefits for Québec and Canada.
4. Priority shall be given to projects put forward by business groups or associations and to those likely to contribute to the development of the region as a whole, including departments and agencies of the two governments.
5. The Management Committee can recommend to the Federal Minister responsible and the Québec Minister responsible for the Agreement the partial financing of an eligible project that is also eligible for financing under other government programs provided that:
  - financing offered by those programs is clearly insufficient for the realization of the project;

- a project is considered to be essential to the economic development of the region in question;
  - the regular programs have been fully utilized.
- 6. No assistance shall be given to municipalities or their authorized agents for the putting in place of basic infrastructure such as projects to build or repair roads, sewer and water systems;
- 7. In all cases, only the capital costs of the projects shall be eligible.

## **SCHEDULE “F”**

### **PROCEDURES FOR PARTICIPATION BY MUNICIPAL AGENCIES IN THE ECONOMIC INFRASTRUCTURE REINFORCEMENT PROGRAM FRAMEWORK**

The parties agree that municipalities in resource regions may participate in the Economic Infrastructure Reinforcement Program Framework established by the Agreement, in accordance with the following procedures:

- a) The requesting municipal agency shall submit its project to the Management Sub-committee for the resource regions.
- b) Within thirty days after receiving a municipal project, the representative of the Québec Minister responsible for the Agreement on the Management Sub-committee shall inform the representatives of the federal Minister responsible for the Agreement and the municipal agency in writing of the eligibility or non-eligibility of the project.
- c) Municipal projects deemed eligible by the Québec Minister responsible for the Agreement shall be evaluated by the Management Sub-committee.
- d) The municipal agency shall be informed of the Management Sub-committee's decision.
- e) An agreement of joint offer shall be drafted by the governments of Canada and Québec for each approved project and shall be subject to acceptance by the municipality.



- f) The agreement shall be signed by the representative of the municipality and by the Federal and Québec Ministers responsible for the Agreement, or by their political representatives, during a public ceremony.
- g) The contribution of the Government of Canada will be transmitted to the municipality by way of a bank transfer which will be effected in two steps. Firstly, a bank transfer will be made by the Government of Canada to the Government of Québec and, upon receipt, the Government of Québec will effect a bank transfer to the municipality.
- h) The contribution of the Government of Québec will be transmitted to the municipality only by way of a bank transfer.
- i) The Management Committee shall inform the municipality of any bank transfer made pursuant to the implementation of the Agreement.
- j) When requested by one of the parties, the Government of Québec shall ensure that a permanent commemorative plaque is posted in a public place, indicating the contribution made by each government to the financing of the project.

## SCHEDULE "G"

### BUDGETARY FRAMEWORK (in millions of dollars) — RESOURCE REGIONS —

Region	Canada	Québec	Total
Eastern Québec	150	60	210
North Shore	30	35	65
North-Centre	60	60	120
Western Québec	35	40	75
Northern Québec	8	8	16
<b>TOTAL</b>	<b>283</b>	<b>203</b>	<b>486</b>

### — CENTRAL REGIONS —

Approved programming	Canada	Québec	Total
Strengthening of Manufacturing Productivity	100	—	100
Industrial Adjustment and Assistance to Business	—	100	100
Support for innovation, industrial design and technological development	20	20	40
Development axes for Montréal	20	20	40
Support for Disadvantaged Areas	15	35	50
<b>TOTAL</b>	<b>155</b>	<b>175</b>	<b>330</b>

### STUDIES — QUÉBEC REGIONS —

Approved programming	Canada	Québec	Total
Studies	2	2	4
<b>GRAND TOTAL :</b>	<b>440</b>	<b>380</b>	<b>820</b>

## SCHEDULE "H"

### FUNDING ALLOCATED FOR APPROVED PROGRAMMING

<b>Federal Concerted Programming</b>	<b>Millions \$</b>
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#### **Resource Regions**

Enterprise Development Program	100
Program for Agri-Food Testing and Experimentation	15
Program for Fisheries and Aquaculture Testing and Experimentation	10

#### **Central Regions**

Program for the Strengthening of Productivity in Manufacturing	100
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#### **Québec Concerted Program**

##### **Resource Regions**

Program for the diversification and expansion of businesses	Amount to be determined by the Management Committee
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##### **Central Regions**

Program to promote industrial adjustment and assist enterprises	Amount to be determined by the Management Committee
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## **SCHEDULE "I"**

### **TERMS AND CONDITIONS OF THE OPERATION OF THE RESERVE — RESOURCE REGIONS —**

1. The Agreement provides for the setting up of a reserve that would be earmarked for program frameworks. This reserve will be able to give the two governments sufficient flexibility to improve approved programming now in place through the injection of new funds on the one hand and, on the other, to complement, where necessary, approved programming through new programs or projects that would meet additional and newly recognized needs during the term of the Agreement.
2. The reserve shall be allocated only to approved programs and projects.
3. The funds not committed by each government to programs and projects stemming from approved programming shall be returned to the reserve for re-allocation to program frameworks in accordance with the objectives of the Agreement for each of the resource regions.
4. A reserve shall be established for each of the resource regions.



## **SCHEDULE “J”**

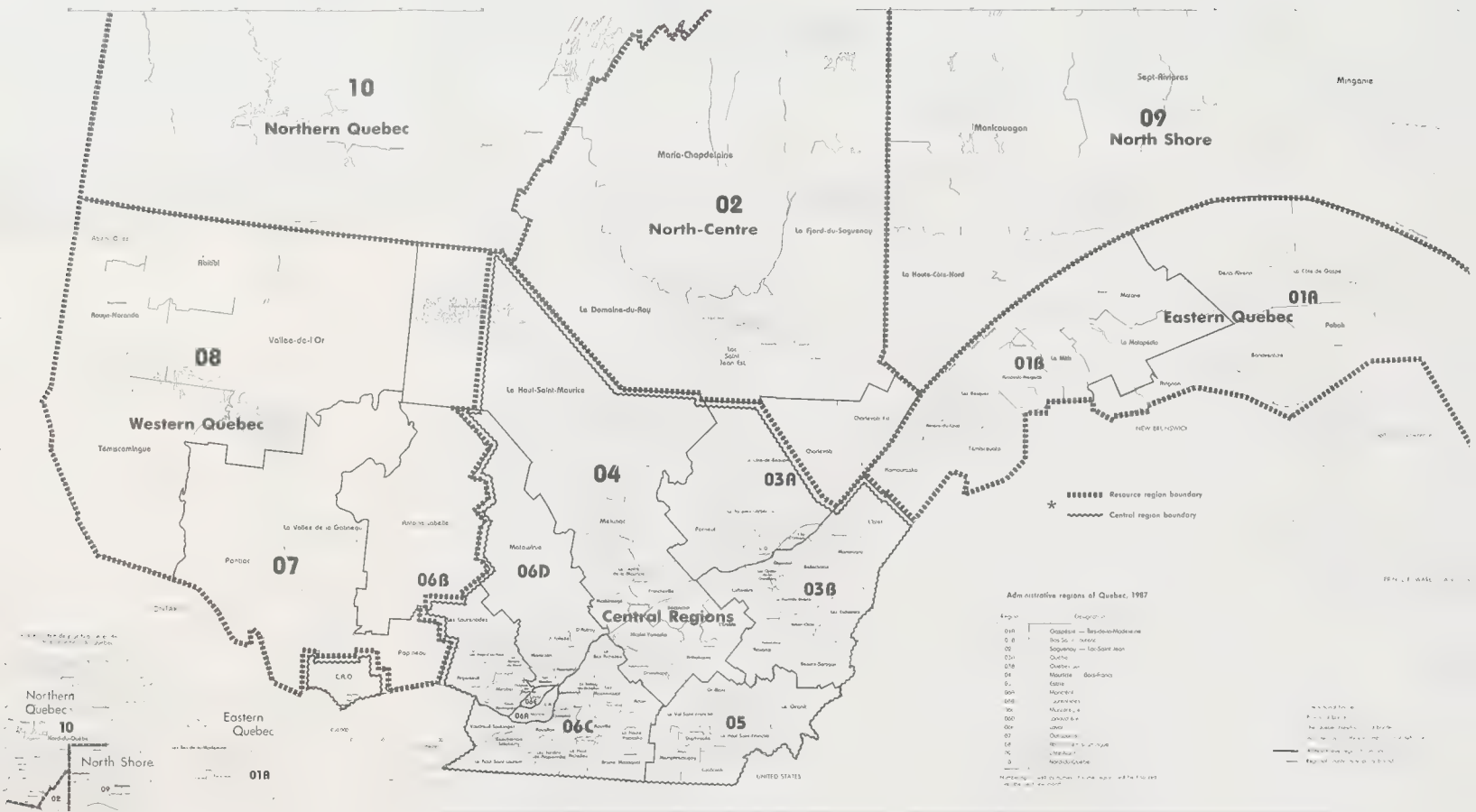
### **PROCEDURES GOVERNING PUBLIC INFORMATION**

The Management Committee is asked to apply the following procedures in the exercise of its public information functions:

1. The Ministers responsible for the Agreement or their political representatives shall be entitled to participate, if they so wish, in any public information activity under the Agreement. The Ministers' offices shall be informed at least two weeks in advance of the content, form and schedule of these activities so that the Ministers can ensure their availability.
2. Official ceremonies shall be held on a mutually agreed upon day by the responsible Ministers.
3. Once a year in each region, the Management Committee shall organize an information meeting in which the responsible Ministers or their political representatives shall participate.
4. The responsible Ministers or their political representatives may participate in any other general or sectoral consultation activity taking place in any region.
5. The Management Committee shall ensure that each approved project stemming from the agreed programming shall be the subject of a public announcement mentioning that the project will be carried out under the Agreement. No information on the said projects shall be disclosed to anyone other than the applicant before the public announcement.
6. In the case of concerted activities, the Minister concerned shall inform his counterpart of the public information procedures.

7. In the case of complementary, joint or jointly-funded activities, the responsible Ministers shall agree on making a joint public announcement.
8. The Management Committee shall ensure that the reports required under the Agreement are produced on time. The responsible Ministers have the authority to make them public, in whole or in part.
9. Under the direction of the responsible Ministers, the Management Committee shall develop a complete public information program on the economic development of the regions.

**REGIONAL BOUNDARIES FOR PURPOSES OF THE CANADA-QUEBEC SUBSIDIARY  
AGREEMENT ON THE ECONOMIC DEVELOPMENT OF THE REGIONS OF QUEBEC \***







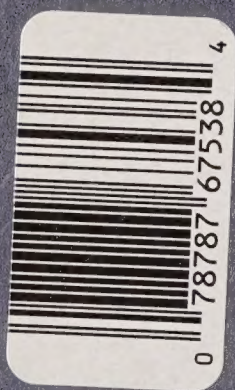
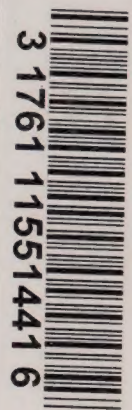












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